



# ***INSIGHTS***

108<sup>th</sup> Congress

February 4, 2003

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***INSIGHTS*** is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

# I. WEEKLY SUMMARY

## CONGRESSIONAL SCHEDULE

Congress is in session this week. Both House and Senate committees will begin this week holding hearings on the President's FY 2004 Budget Request. Refer to hearing chart below for committee schedules.

## FY 2003 APPROPRIATIONS

***H.J. Res. 13*** – The bill, which was signed by the President on January 31, extends the continuing resolution for 11 annual appropriations bills through February 7. House and Senate conferees and their staffs are reportedly working through the bills in an effort to resolve differences within the next two weeks. Last week, Jim Nussle (R/IA), Chair of the House Committee on the Budget, suggested that the continuing resolution be extended through the rest of the fiscal year. A majority of Republicans and Democrats in the House and Senate oppose such an option and prefer passing an “omnibus” bill, which combines the 11 remaining bills into one bill.

## CONFERENCE COMMITTEES/VOTES

No activities of interest beyond the work of the Conference Committee for FY 2003 Appropriations.

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# II. COMMITTEE ACTIVITY

## HOUSE

***Research and Development*** On January 30, Committee on Science Chairman, Sherwood Boehlert (R/NY), addressed the Policy Forum of the University Research Associates' Annual Council of Presidents. In his remarks, Chairman Boehlert outlined the President's FY 2004 research and development funding priorities. He said, “the outlook for research and development programs in the coming year seems reasonably good...But what seems beyond a doubt is that the new focus on homeland security will pump additional money into a wide range of science and engineering fields and into the Department of Energy, in particular, while posing questions that will require new, interdisciplinary solutions.” During the 107<sup>th</sup> Congress, which ended in December 2002, the House and Senate attempted to complete work on comprehensive energy legislation; however, negotiators could not come to an agreement and a bill was not passed. Chairman Boehlert recently reintroduced the R&D provisions from last year's R&D section of the House-Senate compromise on comprehensive energy legislation. The new bill, *H.R. 238 - Energy Research, Development, Demonstration, and Commercial Application Act of 2003*; the bill is summarized in the chart below on New Legislation.

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## SENATE

***Energy Legislation*** Pete Domenici (R/NM), Chair of the Committee on Energy and Natural Resources, has announced an aggressive hearing schedule to prepare for a summer bill on comprehensive energy

legislation (see Hearing Chart below). Current plans call for developing and passing individual sections of a bill by the relevant committees and then combining each section into one larger bill for introduction on the Senate floor. Last week, Senator Domenici released the following statement.

*Right now, America is faced with energy challenges and opportunities. We are on the brink of war in the Middle East and dangerously dependent on Middle East oil. Our president has challenged us to develop hydrogen-fueled vehicles as a means of decreasing our thirst for foreign oil.*

***I want to take American ingenuity and scientific prowess even further and look for additional ways to produce more clean and renewable energy while conserving more of the energy we now produce.***

*The committee's hearings this spring will allow us to take a hard look at the energy challenges and opportunities that face us and develop legislation to seize our opportunities and empower us to tackle our challenges. **My top priority will be hammering out a robust and diverse energy bill for floor consideration this summer.***

***State of the Economy*** On January 29, members of the Committee on the Budget heard testimony on the State of the Economy from David Malpass, Chief Global Economist at Bear Stearns & Co., Inc.; Michael E. Baroody, Executive Vice President National Association of Manufacturers (NAM) and Chairman of the Asbestos Alliance; and Gene B. Sperling, former National Economic Advisor and Director of the National Economic Council. Mr. Baroody said that the “enactment of a balanced, comprehensive, national energy policy is overdue and is essential to ensuring durable and sustainable economic growth in manufacturing and the broader economy. Reliable supply at affordable prices, increased efficiency, strengthened infrastructure and investments in R&D and new technologies are each essential elements of sound policy...[The NAM] opposes mandatory greenhouse gas reporting and vigorously opposes the Kyoto Protocol as well as any domestic actions leading to quotas or caps on fossil energy use by utilities or by industry.”

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# ATTACHMENT A

## Status of FY03 Appropriations Bills

(In Billions)

**HOUSE**

**SENATE**

<i>Jurisdiction/ FY 2003 Budget Request</i>	<i>302(b) Allocation ns/ Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>	<i>302(b) Allocation s/Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>
<b>Agriculture</b> <b>\$17.051</b>	<b>\$ 17.601</b>	<b>HR</b> <b>5263</b>	7/11	7/26		<b>\$ 17.980</b>	<b>S</b> <b>2801</b>	7/25		
<b>Commerce</b> <b>\$ 40.333</b>	<b>\$ 40.726</b>	<b>-</b>	7/18			<b>\$ 43.475</b>	<b>S</b> <b>2778</b>	7/18		
<b>Defense</b> <b>\$356.598</b>	<b>\$354.7</b>	<b>HR</b> <b>5010</b>	6/24	6/27	10/10	<b>\$ 355.1</b>	<b>S Rpt</b> <b>107- 213</b>	7/18	8/1	10/16
<b>Energy and Water Development</b> <b>\$25.149</b>	<b>\$ 26.027</b>	<b>HR</b> <b>5431</b>	9/05			<b>\$ 26.300</b>	<b>S</b> <b>27844</b>	7/24		
<b>Interior</b> <b>\$18.953</b>	<b>\$ 19.8</b>	<b>HR</b> <b>5093</b>	7/9	7/17		<b>\$ 19.35</b>	<b>S.</b> <b>2708</b>	6/27		
<b>Labor / HHS</b> <b>\$129.902</b>	<b>\$129.902</b>	<b>HR</b> <b>5320</b>				<b>\$133.988</b>	<b>S</b> <b>2766</b>	7/18		
<b>Military Construction</b> <b>\$ 9.541</b>	<b>\$ 10.083</b>	<b>HR</b> <b>5011</b>	6/24	6/27	10/2	<b>\$ 10.622</b>	<b>S</b> <b>2709</b>	6/27	7/18	10/11
<b>Transportation</b> <b>\$ 19.851</b>	<b>\$ 19.411</b>	<b>-</b>	10/1			<b>\$ 21.1</b>	<b>S</b> <b>2808</b>	7/25		
<b>Treasury</b> <b>\$ 17.960</b>	<b>\$ 18.501</b>	<b>HR</b> <b>5120</b>	7/9	7/24		<b>\$ 18.501</b>	<b>S</b> <b>2740</b>	7/16		
<b>VA/HUD</b> <b>\$ 92.518</b>	<b>\$ 90.9</b>	<b>-</b>	10/9			<b>\$ 91.434</b>	<b>S</b> <b>2797</b>	7/25		
<b>Continuing Resolution H J Res 13 (P.L. 108-4; Signed 1/31/03)</b>				1/28/03					1/29/03	

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## IV. NEW LEGISLATION

*(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)*

### HOUSE

Number	Short title	Date	Sponsor	Status
<b>H. R. 238</b>	<b><i>Energy Research, Development, Demonstration, and Commercial Application Act of 2003</i></b>	January 8	Sherwood Boehlert (R/WI)	Referred to the Committee on Science and the Committee on Resources

**Provisions of Interest:** **ENERGY EFFICIENCY**

Authorizes the following funding to DOE for energy efficiency and conservation research, development, demonstration, and commercial application activities:

<b>FY 2003</b>	\$560,000,000
<b>FY 2004</b>	\$616,000,000
<b>FY 2005</b>	\$695,000,000
<b>FY 2006</b>	\$772,000,000
<b>FY 2007</b>	\$865,000,000

**Funds under this section may not be used for** the promulgation and implementation of energy efficiency regulations; the Weatherization Assistance Program under part A of title IV of the *Energy Conservation and Production Act*; the State Energy Program under part D of title III of the *Energy Policy and Conservation Act*; **or the Federal Energy Management Program under part 3 of title V of the National Energy Conservation Policy Act.**

➤ **NEXT GENERATION LIGHTING INITIATIVE**

Authorizes \$50,000,000 annually for FY 2008 through FY 2012, to support research, development, demonstration, and commercial application activities related to advanced solid-state lighting technologies based on white light emitting diodes to:

- Develop by 2012, advanced solid-state lighting technologies based on white light emitting diodes that, compared to incandescent and fluorescent lighting technologies, are longer lasting, more energy-efficient, and cost-competitive;
- Develop an inorganic white light emitting diode that has an efficiency of 160 lumens per watt and a 10-year lifetime; and
- Develop an organic white light emitting diode with an efficiency of 100 lumens per watt with a 5-year lifetime.

The Next Generation Lighting Initiative shall engender an annual operating plan which shall include research priorities, technical milestones, and plans for technology transfer, and shall be carried out through a private consortium (which may include private firms, trade associations and institutions of higher education). National Laboratories may participate in the research and may receive funds from the consortium.

Number	Short title	Date	Sponsor	Status
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➤ **NATIONAL BUILDING PERFORMANCE INITIATIVE**

Requires that the Director of the Office of Science and Technology Policy establish an interagency group to develop, in coordination with the advisory committee, a National Building Performance Initiative, which shall integrate Federal, state, and voluntary private sector efforts to reduce the costs of construction, operation, maintenance, and renovation of commercial, industrial, institutional, and residential buildings. The interagency group shall submit to Congress a plan for carrying out the appropriate Federal role in the Initiative. **The Department of Energy shall be the lead agency for all aspects of building performance related to use and conservation of energy.**

Requires DOE to expand research and development programs of the Department related to advanced vehicle technologies, including fuel cells, and hydrogen storage; vehicle engine systems and emission control systems; batteries and power electronics for hybrid vehicles; combustion and after-treatment technologies for use in direct injected gasoline and diesel fueled motor vehicles; and other advanced fuels and materials.

➤ **ENERGY EFFICIENCY SCIENCE INITIATIVE**

Program shall be managed by the Assistant Secretary of the Department of Energy to award grants on a competitive basis, subject to peer review, for research relating to energy efficiency. Funding is as follows:

<b>FY 2003</b>	\$15,000,000
<b>FY 2004</b>	\$20,000,000
<b>FY 2005</b>	\$25,000,000
<b>FY 2006</b>	\$30,000,000
<b>FY 2007</b>	\$35,000,000

**DISTRIBUTED ENERGY AND ELECTRIC ENERGY SYSTEMS**

Funding for distributed energy and electric energy systems activities is as follows:

<b>FY 2003</b>	\$155,000,000
<b>FY 2004</b>	\$190,000,000
<b>FY 2005</b>	\$200,000,000
<b>FY 2006</b>	\$220,000,000
<b>FY 2007</b>	\$240,000,000

➤ **DISTRIBUTED POWER**

Requires DOE to develop and provide to Congress, a strategy for a comprehensive research, development, demonstration, and commercial application program to develop hybrid distributed power systems that combine one or more renewable electric power generation technologies of 10 megawatts or less located near the site of electric energy use; and non-intermittent electric power generation technologies suitable for use in a distributed power system.

➤ **HIGH POWER DENSITY INDUSTRY PROGRAM**

Requires DOE to establish a comprehensive research, development, demonstration, and commercial application program **to improve energy efficiency of high-power density facilities**, including data centers, server farms, and telecommunications facilities. Such program shall consider technologies that provide significant improvement in thermal controls, metering, load management, peak load reduction, or the efficient cooling of electronics.

Number	Short title	Date	Sponsor	Status
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➤ **MICRO-COGENERATION ENERGY TECHNOLOGY**

Requires DOE to make competitive, merit-based grants to consortia for the development of micro-cogeneration energy technology. The consortia shall explore the use of small-scale combined heat and power in residential heating appliances. Funding for micro-cogeneration energy technologies is as follows:

<b>FY 2003</b>	\$2,000,000
<b>FY 2004</b>	\$20,000,000

➤ **TRANSMISSION SYSTEMS**

Requires DOE to develop and implement a comprehensive research, development, demonstration, and commercial application program to promote improved reliability and efficiency of electrical transmission systems. Such program may include advanced energy technologies, materials, and systems; advanced grid reliability and efficiency technology development; technologies contributing to significant load reductions; advanced metering, load management, and control technologies; technologies to enhance existing grid components; the development and use of high-temperature superconductors to enhance the reliability, operational flexibility, or power-carrying capability of electric transmission or distribution systems; or increase the efficiency of electric energy generation, transmission, distribution, or storage systems; integration of power systems, including systems to deliver high-quality electric power, electric power reliability, and combined heat and power; any other infrastructure technologies, as appropriate; and technology transfer and education.

**RENEWABLE ENERGY**

Funding for renewable energy research, development, demonstration, and commercial application activities is as follows:

<b>FY 2003</b>	\$390,000,000
<b>FY 2004</b>	\$460,000,000
<b>FY 2005</b>	\$510,000,000
<b>FY 2006</b>	\$560,000,000
<b>FY 2007</b>	\$609,000,000

➤ **BIOENERGY**

Requires that the Secretary conduct a program of research, development, demonstration, and commercial application for bioenergy, including biopower energy systems; biofuels; integrated applications of both biopower and biofuels; cross-cutting research and development in feedstocks; and economic analysis. Funding is as follows:

<b>FY 2003</b>	\$117,800,000
<b>FY 2004</b>	\$135,425,000
<b>FY 2005</b>	\$155,600,000
<b>FY 2006</b>	\$167,650,000
<b>FY 2007</b>	\$180,000,000

➤ **HYDROGEN RESEARCH AND DEVELOPMENT**

Requires DOE to conduct a research and development program relating to the production, storage,

Number	Short title	Date	Sponsor	Status
	<p>transportation, and use of hydrogen as an energy source, with the goal of enabling the private sector to demonstrate the technical feasibility of using hydrogen for industrial, commercial, residential, transportation, and utility applications with consideration of cost-effective production from renewable energy sources.</p> <p>Requires DOE to conduct demonstrations of critical technologies so that technical and non-technical parameters can be evaluated to best determine commercial applicability of such technologies. Demonstrations shall include fuel cells and fuel cell components, including proton exchange membrane technologies, for commercial, residential, and transportation applications, using improved manufacturing production and processes.</p> <p>➤ <b>TECHNOLOGY ASSESSMENT AND TRANSFER</b></p> <p>Requires DOE to conduct a program designed to transfer critical technologies to the private sector.</p> <p>Requires DOE to undertake an update of the inventory and assessment of hydrogen energy technologies and their commercial capability to economically produce, store, transport, and use hydrogen as an energy source in the industrial, commercial, residential, transportation, and utility sectors; and develop with the National Aeronautics and Space Administration, other Federal agencies as appropriate, and industry, an information exchange program to improve technology transfer for hydrogen energy technologies. The information exchange program may consist of workshops, publications, conferences, and a database for the use by the public and private sectors.</p> <p>Establishes a Hydrogen Technical Advisory Committee to advise the Secretary.</p> <p>➤ <b>NATIONAL ACADEMY OF SCIENCES REVIEW</b></p> <p>Requires that the National Academy of Sciences perform a review of the progress made through the programs and activities and the <i>Hydrogen Future Act of 1996</i>, and shall report to the Congress on the results of reviews.</p> <p>➤ <b>FUEL CELLS</b></p> <p>Amends the <i>Hydrogen Future Act of 1996</i> to integrate fuel cells with hydrogen systems such that the Secretary shall solicit proposals for projects demonstrating hydrogen technologies needed to use fuel cells in Federal, state, and local government stationary and transportation applications.</p> <p>Establishes an Interagency Task Force led by the Secretary's designee and comprised of representatives of the Office of Science and Technology Policy, the Department of Transportation, the Department of Defense, the Department of Commerce (including the National Institute of Standards and Technology), the Environmental Protection Agency; the National Aeronautics and Space Administration, and other Federal agencies as appropriate. Task force shall focus on development and demonstration of integrated systems and components for the production, storage, transport, and use of hydrogen as an energy source for Federal, state, and local government stationary and transportation applications; hydrogen-based infrastructure for buses and other fleet transportation systems that include zero-emission vehicles; and hydrogen-based distributed power generation, including the generation of combined heat, power, and hydrogen.</p> <p>Requires that DOE enter into cooperative and cost-sharing agreements with <b>Federal</b>, state, and local agencies for participation by the agencies in demonstrations at facilities administered by the agencies, with the aim of integrating high-efficiency hydrogen systems using fuel cells into the facilities to provide near-term benefits and promote a smooth transition to hydrogen as an energy source.</p> <p>Requires DOE to conduct research, development, demonstration, and commercial application programs for ocean energy, including wave energy; the combined use of renewable energy</p>			



Number	Short title	Date	Sponsor	Status
	technologies with one another and with other energy technologies, including the combined use of wind power and coal gasification technologies; and hydrogen carrier fuel.			
	<p>➤ <b>IMPROVED COORDINATION OF TECHNOLOGY TRANSFER ACTIVITIES</b></p> <p>Requires DOE to designate a Technology Transfer Coordinator to perform oversight of and policy development for technology transfer activities at the Department.</p> <p>➤ <b>TECHNOLOGY TRANSFER WORKING GROUP</b></p> <p>Requires DOE to establish a Technology Transfer Working Group, which shall consist of representatives of the National Laboratories and single-purpose research facilities, to coordinate technology transfer activities occurring at National Laboratories and single-purpose research facilities; exchange information about technology transfer practices, including alternative approaches to resolution of disputes involving intellectual property rights and other technology transfer matters; and develop and disseminate to the public and prospective technology partners information about opportunities and procedures for technology transfer with the Department, including those related to alternative approaches to resolution of disputes involving intellectual property rights and other technology transfer matters.</p> <p>➤ <b>TECHNOLOGY INFRASTRUCTURE PROGRAM</b></p> <p>Requires DOE to establish a Technology Infrastructure Program to improve the ability of National Laboratories and single-purpose research facilities to support departmental missions by stimulating the development of technology clusters that can support departmental missions at the National Laboratories or single-purpose research facilities; improving the ability of National Laboratories and single-purpose research facilities to leverage and benefit from commercial research, technology, products, processes, and services; and encouraging the exchange of scientific and technological expertise between National Laboratories or single-purpose research facilities and institutions of higher education; technology-related business concerns; nonprofit institutions; and agencies of state, tribal, or local governments, that can support departmental missions at the National Laboratories or single-purpose research facilities.</p> <p>➤ <b>IMPROVED COORDINATION AND MANAGEMENT OF CIVILIAN SCIENCE AND TECHNOLOGY PROGRAMS</b></p> <p>➤ <b>CLEAN SCHOOL BUSES</b></p> <p>Requires DOE, in consultation with the Administrator of the Environmental Protection Agency, shall establish a pilot program for awarding grants on a competitive basis to eligible entities for the demonstration and commercial application of alternative fuel school buses and ultra-low sulfur diesel school buses.</p> <p>➤ <b>FUEL CELL BUS DEVELOPMENT AND DEMONSTRATION PROGRAM</b></p> <p>Requires DOE to establish a program for entering into cooperative agreements with private sector fuel cell bus developers for the development of fuel cell-powered school buses.</p> <p><b><u>ALTERNATIVE FUELED AND ADVANCED VEHICLES</u></b></p> <p>➤ <b>PILOT PROGRAM</b></p> <p>Requires that the Secretary establish a competitive grant pilot program, to be administered through the Clean Cities Program of the Department of Energy, to provide not more than 15 geographically dispersed project grants to State governments, local governments, or metropolitan transportation authorities to carry out a project or projects on alternative fueled and advanced vehicles. The</p>			

Number	Short title	Date	Sponsor	Status
	Secretary shall not provide more than \$20,000,000 in Federal assistance under the pilot program to any applicant.			
<b>H. R. 427</b>	<b><i>Fuel Price Stability Act of 2003</i></b>	January 28	Frank Sensenbrenner (R/WI)	Referred to the Committee on Energy and Commerce
	<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Amends the <i>Clean Air Act</i> by adding a waiver that the Governors of Illinois, Indiana, and Wisconsin, may allow any person to sell or dispense uncertified conventional gasoline or reformulated gasoline if the gasoline is certified by Environmental Protection Agency for sale in any other region of the country, and if reduced availability of reformulated gasoline is likely to result in a significant price increase for reformulated gasoline in that area.</li> </ul>		
<b>H. R. 428</b>	<b>No Short Title</b>	January 28	Frank Sensenbrenner (R/WI)	Referred to the Committee on Ways and Means
	<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Amends the <i>Internal Revenue Code of 1986</i>, to make the credit for increasing research activities permanent.</li> </ul>		
<b>H. R. 463</b>	<b><i>Investment in America Act of 2003</i></b>	January 28	Frank Sensenbrenner (R/WI)	Referred to the Committee on Ways and Means
	<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Amends the <i>Internal Revenue Code of 1986</i>, to increase the rates of the alternative incremental credit from 2.65 percent to 3 percent, 3.2 percent to 4 percent, and 3.75 percent to 5 percent.</li> </ul>		
<b>H. R. 465</b>	<b>No Short Title</b>	January 29	Steve King (R/IA)	Referred to the Committee on Ways and Means
	<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Amends the <i>Internal Revenue Code of 1986</i>, to allow the allocation of small ethanol producer credit to patrons of a cooperative.</li> </ul>		
<b>H. R. 503</b>	<b>No Short Title</b>	January 29	William Thornberry (R/TX)	Referred to the Committee on Ways and Means
	<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Amends the <i>Internal Revenue Code of 1986</i>, to allow a credit for the production of oil and gas from domestic marginal wells and <b>to extend the credit for alternative fuels</b>. The marginal well production credit (\$3 per barrel of qualified crude oil production, and 50 cents per 1,000 cubic feet of qualified natural gas) is an amount equal to the product of the credit amount.</li> <li>➤ <b>Extends to 2008, the credit for producing fuel from a nonconventional source.</b></li> </ul>		

## SENATE

Number	Short title	Date	Sponsor	Status
<b>S. 216</b>	<b><i>Building Security Act of 2003</i></b>	January 23	John Edwards (D/NC)	Referred to the Committee on Commerce, Science, and Transportation
<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Directs the National Institute of Standards and Technology (NIST) to establish a research and development program to provide measurements and analysis for improved building and fire codes, standards, and practices, and higher construction standards. Requires the director to build upon NIST's and the private sector's ongoing efforts by involving consortia that include government and industry.</li> <li>➤ Requires NIST to work with industry, trade associations, professional societies, and others to conduct experimentation, analysis, testing, verification, and demonstration of improved tools and practices that identify building and ventilation vulnerability reduction tools.</li> <li>➤ Establishes a Private Security Industry Task Force to develop structural guidelines and standards of quality for the private security industry.</li> </ul>			
<b>S. 255</b>	<b><i>Automobile Fuel Economy Act of 2003</i></b>	January 30	Dianne Feinstein (D/CA)	Referred to the Committee on Commerce, Science, and Transportation
<b>Provisions of Interest:</b>	<ul style="list-style-type: none"> <li>➤ Increases the average fuel economy standard for light trucks manufactured after 2008, to be not less than 27.5 miles per gallon, except that the average fuel economy standard for light trucks manufactured by a manufacturer in a model year before model year 2011, and after model year 2007, may not be less than 23.5 miles per gallon; after model year 2008, may not be less than 24.8 miles per gallon; and after model year 2009, may not be less than 26.1 miles per gallon.</li> <li>➤ Effective January 1, 2011, bill establishes fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight fuel economy for the Federal fleet of vehicles.</li> <li>➤ Each executive agency shall determine for each class of vehicles in FY 2005, the average fuel economy for all of the vehicles in that class that are in the agency's fleet of vehicles for that fiscal year.</li> </ul>			

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## V. ADMINISTRATION INITIATIVES

***President's State of the Union Address*** The following excerpts from the President's January 28 State of the Union Address highlight his interest in energy issues.

*Our third goal is to promote energy independence for our country, while dramatically improving the environment. I have sent you a comprehensive energy plan to promote energy efficiency and conservation, to develop cleaner technology, and to produce more energy at*

***home.** I have sent you Clear Skies legislation that mandates a 70-percent cut in air pollution from power plants over the next 15 years. I have sent you a Healthy Forests Initiative, to help prevent the catastrophic fires that devastate communities, kill wildlife, and burn away millions of acres of treasured forest.*

*I urge you to pass these measures, for the good of both our environment and our economy. Even more, I ask you to take a crucial step and protect our environment in ways that generations before us could not have imagined.*

*In this century, the greatest environmental progress will come about not through endless lawsuits or command-and-control regulations, but through technology and innovation. Tonight **I'm proposing \$1.2 billion in research funding so that America can lead the world in developing clean, hydrogen-powered automobiles.***

*A single chemical reaction between hydrogen and oxygen generates energy, which can be used to power a car – producing only water, not exhaust fumes. With a new national commitment, our scientists and engineers will overcome obstacles to taking these cars from laboratory to showroom, so that the first car driven by a child born today could be powered by hydrogen, and pollution-free.*

*Join me in this important innovation to make our air significantly cleaner, and our country much less dependent on foreign sources of energy.*

***FY 2004 Budget Request*** On February 3, President Bush submitted to Congress his FY 2004 Federal budget request totaling \$2.1 trillion. The request reflects a four percent increase over the FY 2003 request and supports the Administration's three national priorities:

- Winning the war against terrorism
- Securing homeland security
- Generating long-term economic growth.

Some highlights of this request are provided below; a more detailed account of the request will be provided in subsequent issues of *INSIGHTS*.

**Department of Energy – Focus is on energy security and energy independence**

- Energy Conservation – includes FEMP, research and development programs, and grant programs: \$875.793 million and includes
  - Office of Federal Energy Management Programs - \$19.962 (\$8.227 million for Project Financing; \$8,242 million for Technical Guidance and Assistance; \$2.603 million for Planning, Reporting, and Evaluation; \$890,000 for Technical/Program Management)
  - Distributed Energy and Electricity Reliability - \$51.784 million
  - Buildings Technologies - \$52.563 million
  - Industrial Technologies – 64.429 million
  - Biomass and Biorefinery Systems - \$8.808 million

- Regional Offices - \$119 million
- Weatherization and Intergovernmental Program - \$356.960 million
- Renewable Energy
  - Departmental Energy Management Program – 2.3 million (\$1.8 million for Energy Management Project Support and \$500,000 for Energy management Model Program Development)
  - Hydrogen Technology - \$87.982 million
  - Solar Energy - \$79.693 million
  - Zero-Energy Buildings - \$4 million
  - Wind Energy - \$41.6 million
  - Hydropower - \$7.489 million
  - Geothermal - \$25.5 million
  - Biomass and Biorefinery Systems R&D - \$69.750 million
  - Intergovernmental Activates - \$12.5 million
  - Electricity Reliability - \$76.866 million
- Tax Incentives
  - Budget assumes enactment of the President's FY 2003 energy tax incentive program, which is expected to result in \$8 billion in incentives over a 10-year period. Incentives are for the purchase of residential solar power and hybrid fuel and fuel cell vehicles.

## **Department of Commerce**

- National Institute of Standards and Technology - \$70 million for the construction of research facilities

## **Department of Defense - *Focus includes the enhancement of the quality of life for military personnel and their families (e.g., housing)***

- Investing Wisely in Energy Conservation through the Energy Conservation Investment Program - \$70 million (up from \$35 million in FY 2003) to achieve up to \$420 million in additional savings.
- Privatization of Military Housing – Proposes unspecified funding to privatize approximately 76,000 units in FY 2003 and FY 2004.

## **General Services Administration**

- Public Building Service Program - \$400 million, most of which will address security-related requirements.

## Department of the Interior

- National Park Service - \$5 billion over a five-year period to address the backlog in maintenance and repairs of Park Service buildings and facilities.
- Bureau of Prisons – Continue streamlined “design/build” process for the construction of Federal prisons to reduce project timeframes and costs.

## Department of State

- Critical Security Construction Program – Increase to \$1.514 million to implement standardized embassy design program.

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# VI. HEARINGS SCHEDULE

## HOUSE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>February 5</i> – Committee on Appropriations  <i>(NEW)</i>	Duncan Hunter (R/CA)	<i>Hearing</i> –  FY 2004 Defense Budget Request	Donald H. Rumsfeld, Secretary of Defense  General Richard Myers, USAF, Chairman, Joint Chiefs of Staff  Dov Zakheim, Under Secretary of Defense	2:00 p.m. Room 2118 Rayburn Office Building

## HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>February 4</i> – Committee on the Budget  <i>(NEW)</i>	Jim Nussle (R/IA)	<i>Hearing</i> –  President’s FY 2004 Budget Request	Mitchell E. Daniels, Jr. Director, Office of Management and Budget	10:00 a.m. Room 210 Cannon Office Building

<b>Date/Committee</b>	<b>Chair</b>	<b>Hearing Title/Issues</b>	<b>Witnesses</b>	<b>Time/Location</b>
<b>February 4 –</b> Committee on Ways and Means	William Thomas (R/CA)	<b>Hearing –</b> President's FY 2004 Budget Request	John Snow, Secretary of the Department of Transportation	2:00 p.m. Room 1100 Longworth Office Building
<b>(NEW)</b>				
<b>February 5 –</b> Committee on Ways and Means	Bill Thomas (R-CA)	<b>Hearing –</b> President's FY 2004 Budget Request	Mitchell E. Daniels, Jr. Director, Office of Management and Budget	2:00 p.m. Room 1100 Longworth House Office Building
<b>(NEW)</b>				
<b>February 11 –</b> Committee on Veterans Affairs	Chris Smith (R/NJ)	<b>Hearing –</b> Hearing on the President's FY 2004 Budget Request for the Department of Veterans Affairs	TBA	10:00 a.m. Room 334 Cannon Office Building
<b>(NEW)</b>				

## **SENATE – COMMITTEE ON APPROPRIATIONS**

*There are no hearings of interest to report.*

## **SENATE – AUTHORIZATIONS/OVERSIGHT**

<b>Date/Committee</b>	<b>Chair</b>	<b>Hearing Title/Issues</b>	<b>Witnesses</b>	<b>Time/Location</b>
<b>February 4 –</b> Committee on the Budget	Don Nickles (R/OK)	<b>Hearing –</b> President's FY 2004 Budget Request	Dr. Glenn Hubbard Chairman, Council of Economic Advisers	2:30 p.m. Room 608 Dirksen Office Building
<b>(NEW)</b>				
<b>February 5 –</b> Committee on the Budget	Don Nickles (R/OK)	<b>Hearing –</b> President's FY 2004 Budget Request	Mitchell E. Daniels, Jr. Director, Office of Management and Budget	10:00 a.m. Room 608 Dirksen Office Building
<b>(NEW)</b>				

<b>Date/Committee</b>	<b>Chair</b>	<b>Hearing Title/Issues</b>	<b>Witnesses</b>	<b>Time/Location</b>
<b>February 6 –</b> Committee on Armed Services  <b>(NEW)</b>	John Warner (R/VA)	<b>Hearing –</b>  President’s FY 2004 Budget Request for the Department of Defense and the Future Years Defense Program	TBA	9:30 a.m. Room 216 Hart Office Building
<b>February 11 –</b> Committee on Energy and Natural Resources  <b>(NEW)</b>	Pete Dominici (R/NM)	<b>Hearing –</b>  President’s FY 2004 Budget Request for the Department of the Interior	TBA	10:00 a.m. Room 366 Dirksen Office Building
<b>February 25 –</b> Committee on Energy and Natural Resources  <b>(NEW)</b>	Pete Dominici (R/NM)	<b>Hearing –</b>  <b>President’s FY 2004 Budget Request for the Department of Energy</b>	TBA	10:00 a.m. Room 366 Dirksen Office Building
<b>February 27 –</b> Committee on Energy and Natural Resources  <b>(NEW)</b>	Pete Dominici (R/NM)	<b>Hearing –</b>  Natural Gas Supply and Prices	TBA	2:30 p.m. Room 366 Dirksen Office Building
<b>February 27 –</b> Committee on Energy and Natural Resources  <b>(NEW)</b>	Pete Dominici (R/NM)	<b>Hearing –</b>  Energy Production on Federal Lands	TBA	10:00 a.m. Room 366 Dirksen Office Building
<b>March 6 –</b> Committee on Energy and Natural Resources  <b>(NEW)</b>	Pete Dominici (R/NM)	<b>Hearing –</b>  Energy Use in the Transportation Sector	TBA	10:00 a.m. Room 366 Dirksen Office Building
<b>March 11 –</b> Committee on Energy and Natural	Pete Dominici (R/NM)	<b>Hearing –</b>  <b>Federal Programs for Energy Efficiency and</b>	TBA	Time TBA Room 366 Dirksen Office Building



Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
Resources		Conservation		
(NEW)				

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## CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

*There is no activity of interest to report.*

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